

FORM MR-AR
(Revised 1/2007)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
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SMALL MINING OPERATIONS 2006 PROGRESS REPORT

January 1, 2006 to December 31, 2006

The information required in this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, and the rules as under the Utah Minerals Regulatory Program.

- 1 Mine Permit Number: S/470/063
2 Mine Name: Neal #1, #2, and #3
3 Name of Operator/Permittee: Ziegler Chemical & Mineral Corp.
Note: If Operator's address, company representative or phone number have changed, please provide a replacement page to the Notice of Intention.

- 4 Mine Location: NW 1/4, SW 1/4, Section 32, Township 11S, Range 24E
5 Report the gross amount of ore mined and waste moved, as well as the arrangement, positioning, or distribution of the material:

Gross Ore Mined	<u>88.33</u>	Tons, or	<u> </u>	yd ³
Waste Material Moved	<u>0</u>	Tons, or	<u> </u>	yd ³
New Disturbance	<u>1.6</u>	Acres during 2006		
Area Reclaimed	<u>0</u>	Acres during 2006		
Total Disturbed Area	<u>4.3</u>	Acres*		

Was the ore shipped off site? If not, where is the ore located? Yes

Where is the waste located? N/A

*Total life of mine disturbance to the end of 2006.

6. Briefly describe the reclamation work performed during the past year. A map showing reclaimed areas and dates is suggested. (Submit form MR-SITE for an application for full or partial bond/site release).

None

I hereby certify, under penalties of law, the information provided in this report is true and correct to the best of my knowledge and belief.

Name (Typed or Print): Duane Boren
Title of Operator: Mine Superintendent
Signature of Operator: Duane Boren
Date: February 11, 2008

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*Reviewed
2/26/08
MMS*

RECEIVED
FEB 13 2008
DIV. OF OIL, GAS & MINING